

**Economic and Fiscal Impact Statement  
Department of Pesticide Regulation  
Ground Water Protection List Rulemaking  
Assumptions and Calculations**

Economic Impact Statement

A. Estimated Private Sector

See attachment.

B. Estimated Costs

Based on current reporting of outdoor industrial and outdoor institutional use of certain pesticides added to section 6800(b) in previous rulemakings and that require reporting only due to that addition, we estimate that this rulemaking would generate an additional 535 reports by 134 businesses or 3.99 reports/business (see attachment). We estimate that one hour is required to assemble the information, and complete and send in the use report, and that hourly costs average \$30. So additional costs would be \$30 per report, and the annual additional cost for a business would be  $3.99 \times \$30 = \underline{\$120}$ . Lifetime costs for businesses would be  $535 \times \$30 \times 5 \text{ years} = \underline{\$80,000}$ .

Fiscal Impact Statement

A. Fiscal Effect on Local Government

DPR estimates that this regulation would result in 1070 additional pesticide use reports submitted to the county agricultural commissioners (CACs) (see attachment). In Fiscal Year 08-09 DPR will reimburse CACs \$.47 for each report based on estimated costs of processing and sending an electronic summary of those reports to DPR. At a maximum, the reimbursable cost to CACs:  $1070 \times .47 = \underline{\$500}$

Explanation of item 6. DPR estimates that if local governments and schools applied the new pesticides proposed to be listed in section 6800(b), this regulation could potentially would result in 312 additional reports submitted by local government and 223 additional reports by schools (see attachment). We estimate that one hour would be required to assemble the information, and complete and send in the use report, and that hourly costs average \$30. So potential additional costs would be \$30 per report, and the additional potential annual cost for local government would be  $312 \times \$30 = \$9400$ , and the additional potential annual cost for schools would be  $223 \times \$30 = \$6700$ , for an annual potential total cost of \$16,000. However, this regulation does not require local governments or schools to apply the pesticides proposed to be added to section 6800(b), and they could avoid the additional reporting costs by applying alternative pesticides that are not listed in section 6800(b), or by controlling the pest without the use of a pesticide. The relative cost of alternative pesticides would depend on the following relative

numbers: rate (pounds per unit treated) used, the cost per pound, the cost of application (equipment and labor), and the number of applications required. The relative cost of alternative pest control methods would depend on the relative cost of any equipment and labor required. Because we do not know which alternative pesticides or methods would be used, we cannot quantify the cost of those alternatives.

**B. Fiscal Effect on State Government.**

1. Adding pesticides to section 6800(b) means that DPR would have to reimburse counties for the 1070 use reports submitted @ \$.47 for a total annual cost of \$500, which is accounted for in Item 3930-001-0106 in the 2009 budget.

2. Pesticides added to section 6800(b) must be monitored to determine whether they have migrated to ground water. DPR currently has resources to monitor for, on average, two pesticides per year. There are currently 62 pesticides listed in section 6800(b) and since DPR has completed monitoring for approximately 35 pesticides, monitoring must still be done for 27 pesticides on the current list. Adding an additional 40 pesticides to section 6800(b) will not increase the number of pesticides DPR can monitor per year. Therefore, this rulemaking will not result in an increase in annual monitoring costs.

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